

Message Text

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PAGE 01 STATE 145014

61

ORIGIN XMB-07

INFO OCT-01 EA-11 ADP-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 /085 R

66610

DRAFTED BY: XMB:DOUGLAS B. SMITH

APPROVED BY: EB/OCA/REP:LHPOMEROY

XMB:C.E.HOUSTON XMB:DON BOSTWICK

EB/IFD/ODF-EMLINTON

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R 241856Z JUL 73

FM SECSTATE WASHDC

TO AMEMBASSY TAIPEI

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SUBJ: EXIMBANK FINANCING FORMOSA PLASTICS

E.O. 11652: N/A

TAGS: ETRD, TS

1. TODAY EXIMBANK SENT FOLLOWING CABLE TO CIECD. QUOTE IN ACCORDANCE WITH THE OPERATING AGREEMENT THIS IS TO INFORM YOU THAT EXIMBANK, ON JULY 19, 1973, AUTHORIZED A PRELIMINARY COMMITMENT TO WESTERN PENNSYLVANIA NATIONAL BANK FOR CONSTRUCTION OF A VCM PLANT FOR FORMOSA PLASTIC CORP. TERMS CALL FOR A CASH PAYMENT OF 20 PERCENT OF U.S. DOLLAR COSTS OF DOLS 2,200,000, AN EXIM DIRECT CREDIT OF 40 PERCENT OR DOLS 4,400,000 AND NON-GUARANTEED COMMERCIAL CREDITS FOR 40 PERCENT OR DOLS 4,400,000 OF WHICH NOT LESS THAN HALF WOULD BE FROM NON-U.S. SOURCES. EXIMBANK WILL GUARANTEE LOCAL COST FINANCING OF DOLS 1,650,000 OR 15 PERCENT OF U.S. COSTS. THE LOAN AND GUARANTEE WOULD BE GUARANTEED JOINTLY AND SEVERALLY BY THE SIX ASSOCIATED COMPANIES OF THE FPC GROUP.

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PAGE 02 STATE 145014

2. REPAYMENT WOULD BE IN 16 EQUAL SEMIANNUAL INSTALLMENTS

BEGINNING SIX MONTHS AFTER COMPLETION BUT NOT LATER THAN
AUGUST 20, 1975, WITH THE COMMERCIAL CREDITS BEING REPAYED
IN THE FIRST 8 AND EXIMBANK IN THE LAST 8. LOCAL COST
FINANCING WOULD BE ON TERMS NO LONGER THAN U.S. FINANCING.
THE INTEREST ON EXIMBANK'S CREDIT WILL BE AT THE RATE OF
6 PERCENT PER ANNUM AND THERE WILL BE A COMMITMENT FEE OF
ONE-HALF OF 1 PERCENT PER ANNUM.

WE ASK YOUR CONCURRENCE. UNQUOTE. ROGERS

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